

RENEWABLE ENERGY TAX CREDITS

Prior Law

The cumulative value of solar energy system tax credits claimed annually by applicants cannot exceed \$4.5 million. The state solar energy system tax credit is equal to 60% of the federal credit amount.

The renewable energy tax credit is limited to no more than 167 billion British Thermal Units (BTUs) of heat for a commercial purpose for all tax credit applicants, and no more than 55 billion BTUs for any single applicant.

The maximum energy production capacity that may be approved for renewable energy tax credits that are facilities other than wind facilities is 53 megawatts.

New Provisions

Effective January 1, 2015, the cumulative value of solar energy system tax credits that can be claimed annually by applicants is increased to \$5 million.

For installations occurring on or after January 1, 2016, the credit is reduced to 50% of the federal credit amount.

For all tax credit applicants, the renewable energy tax credit is limited to no more than 167 billion BTUs of heat for a commercial purpose annually, rather than lifetime. The credit is limited to 55 billion BTUs annually for any single applicant.

Effective January 1, 2015, the maximum energy production capacity that may be approved for renewable energy tax credits that are facilities other than wind facilities is 63 megawatts. Of those 63 megawatts, 10 megawatts of capacity are reserved for solar facilities contracted or owned by utility companies.

Sections Amended

Sections 1 and 2 of 2015 Iowa Acts House File 645 amend Section 422.11L, subsections 1 and 4, Code 2015. Sections 3 and 4 amend Sections 422.33 and 422.60, Code 2015. Sections 5 through 7 amend Section 476C.1, .3, and .5, Code 2015. Section 8 amends Section 533.329, subsection 2, Code 2015.

Effective Date

The amendments to Iowa Code sections 476C.1, subsection 6; 476C.3, subsection 4, paragraph b, unnumbered paragraph 1; and 476C.3, subsection 4, paragraph b, subparagraph (3), apply retroactively to January 1, 2015 for tax years beginning on or after that date. The amendments to the remainder of Iowa Code section 476C.3, subsection 4, paragraph b, and the amendments to Iowa Code section 476C.5 apply retroactively to January 1, 2014, for tax years beginning on or after that date.

The amendments to Iowa Code sections 422.11L, subsection 4, paragraph a; and 533.329, subsection 2, paragraph 1, apply retroactively to January 1, 2015, for tax years beginning on or after that date.

The remainder of the Act is effective June 26, 2015.